

NEW BEGINNINGS SCHOOLS FOUNDATION

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Beginnings Schools Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the **New Beginnings Schools Foundation (the Foundation)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
New Beginnings Schools Foundation

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Foundation** as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
New Beginnings Schools Foundation

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Also, the accompanying combining schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
New Beginnings Schools Foundation

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, on our consideration of **the Foundation's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the Foundation's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 14, 2014

NEW BEGINNINGS SCHOOLS FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

Cash	\$ 2,909,401
Cash - restricted	44,169
Grants receivable	1,204,497
Prepaid expenses	59,341
Property and equipment, net (NOTE 5)	<u>648,499</u>
Total assets	<u>\$ 4,865,907</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 411,717
Accrued liabilities	285,886
Student activity funds	44,169
Compensated absences	49,432
Deferred revenue	<u>51,528</u>
Total liabilities	<u>842,732</u>
Net Assets:	
Unrestricted	3,968,244
Temporarily restricted (NOTE 8)	<u>54,931</u>
Total net assets	<u>4,023,175</u>
Total liabilities and net assets	<u>\$ 4,865,907</u>

The accompanying notes are an integral part of these financial statements.

NEW BEGINNINGS SCHOOLS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Local sources:			
Minimum Foundation Program (NOTE 1)	\$ 8,012,843	\$ -	\$ 8,012,843
Contributions-unrestricted	123,237	-	123,237
Contributions-temporarily restricted (NOTE 8)	-	7,500	7,500
Fundraising activities	94,594	-	94,594
Other	3,250	-	3,250
Total local sources	<u>8,233,924</u>	<u>7,500</u>	<u>8,241,424</u>
State sources:			
Minimum Foundation Program (NOTE 1)	7,164,190	-	7,164,190
Grants	25,736	-	25,736
Total state sources	<u>7,189,926</u>	<u>-</u>	<u>7,189,926</u>
Federal grants	3,609,889	-	3,609,889
Net assets released from restrictions (NOTE 8)	57,569	(57,569)	-
Total revenues	<u>19,091,308</u>	<u>(50,069)</u>	<u>19,041,239</u>
<u>EXPENSES</u>			
Program Services:			
Instruction programs	8,541,017	-	8,541,017
Support Services:			
Pupil support services	1,775,456	-	1,775,456
Instructional staff services	1,844,094	-	1,844,094
General and administrative services	548,831	-	548,831
School administration	1,348,790	-	1,348,790
Business services	436,184	-	436,184
Operations and maintenance	1,718,133	-	1,718,133
Student transportation services	1,189,391	-	1,189,391
Central services	184,252	-	184,252
Food services operations	72,065	-	72,065
Depreciation	318,747	-	318,747
Total expenses	<u>17,976,960</u>	<u>-</u>	<u>17,976,960</u>
Change in net assets	1,114,348	(50,069)	1,064,279
Net assets - July 1, 2012	2,883,371	105,000	2,988,371
Adjustments to beginning net assets (NOTE 7)	(29,475)	-	(29,475)
Net assets - June 30, 2013	<u>\$ 3,968,244</u>	<u>\$ 54,931</u>	<u>\$ 4,023,175</u>

The accompanying notes are an integral part of these financial statements.

NEW BEGINNINGS SCHOOLS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,064,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	318,747
Write-off of property and equipment	27,550
Adjustments to beginning net assets	(29,475)
Changes in Assets and Liabilities:	
Decrease in other receivables	174,195
Decrease in grants receivable	239,063
Decrease in prepaid expenses	15,368
Decrease in accounts payable	(114,105)
Decrease in accrued liabilities	(303,294)
Decrease in student activity funds	(9,013)
Decrease in compensated absences	(26,264)
Increase in deferred revenue	13,081
Decrease in due to funding source	<u>(50,078)</u>
Net cash provided by operating activities	<u>1,320,054</u>
Increase in cash	1,320,054
Cash, beginning of year	<u>1,633,516</u>
Cash, end of year	<u><u>\$ 2,953,570</u></u>

The accompanying notes are an integral part of these financial statements.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General

The **New Beginnings Schools Foundation (the Foundation)** was awarded a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2004 to operate a public charter school d/b/a Pierre A. Capdau Charter School (Capdau). **The Foundation** was awarded a second charter by BESE for Medard H. Nelson Charter School (Nelson) prior to the start of the 2005-06 school year. **The Foundation** was awarded its third charter from BESE for Lake Area New Tech Early College High School (Lake Area NTECHS) prior to the start of the 2009-10 school year. **The Foundation** was awarded its fourth charter by BESE for Gentilly Terrace Elementary School (Gentilly Terrace) prior to the start of the 2010-11 school year.

The Foundation seeks to provide education services according to the educational standards established by law, the charter contract and the charter proposal; measures pupil progress toward stated goals; and participates in pupil assessments as required by law, regulation and BESE policy.

The Foundation's mission states that the charter schools are a community of learners of which academic achievement and personal growth are expected and are supported in a positive, inclusive, and enriched environment.

During the 2013 school year, **the Foundation** provided educational services to students in kindergarten through twelfth grades with a total enrollment from all charter schools of 1,924 students. Pierre A. Capdau served 398 students in grades kindergarten through eighth, Medard H. Nelson served 456 students in grades pre-kindergarten through eighth, Lake Area New Tech Early College High School served 658 students in grades nine through twelve, and Gentilly Terrace served 412 students in grades pre-kindergarten through eighth.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of Accounting

The Foundation's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fixed Assets

Fixed assets of **the Foundation** with a unit cost of \$5,000 or more are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful life of the asset, generally 3-7 years for improvement and for other property and equipment.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by **the Foundation**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less. **The Foundation** had no cash equivalents at June 30, 2013.

Income Taxes

The Foundation is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. **The Foundation** files as a tax-exempt organization. Should that status be challenged in the future, **the Foundation's** 2010, 2011 and 2012 tax years are open for examination by the IRS.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Financial Statement Presentation

For the year ended June 30, 2013, **the Foundation** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*, in the presentation of its financial statements. Under FASB ASC Section 958-205, **the Foundation** is required to report, as applicable, information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of **the Foundation**.

Temporarily Restricted Net Assets - Contributions specifically authorized by the donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor imposed restrictions and that are to be held in perpetuity by **the Foundation**. Generally, the donors of these assets permit **the Foundation** to use all or part of the income derived from the investment of these contributions.

At June 30, 2013, **the Foundation** had no permanently restricted net assets.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICAN ACCOUNTING POLICIES (CONTINUED):

Contributions

The Foundation accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition*, in accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and nature of any donor imposed restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Minimum Foundation Program (MFP)

Pierre A. Capdau, Medard H. Nelson, Lake Area New Tech Early College High School, and Gentilly Terrace as Type 5 charter schools received funding from BESE in an amount for pupils based on estimated daily attendance at the schools. The amount of funding received is adjusted during the school year based on October 1st and February 1st student counts and the result of any audits performed.

Other Funding

Other revenues received consist of federal and state grants, fees for meals served, and other revenue sources.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Budgetary Data

The Foundation formally adopts a budget. The budgetary data are submitted to the State of Louisiana for approval.

Interfund Activities

All interfund transactions, except quasi external transactions, advances and reimbursements are reported as operating transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interfund activities are netted at the combined financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements is captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have been made in the aggregation of this data.

NOTE 2 - CASH ACCOUNTS:

The Foundation maintains its bank accounts in a master account with subsidiary accounts for each fund. The master account had a total cash deposit balance of \$2,969,943 and a book balance of \$2,876,979. **The Foundation** also maintains other cash deposit accounts included in the total cash balance totaling \$32,422 as of June 30, 2013.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - FUNCTIONAL ALLOCATION EXPENSES:

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying Statement of Activities. Joint costs incurred at the Network level have been allocated based on the student population according to MFP February 1 count.

NOTE 4 - STUDENT ACTIVITY FUNDS:

The Foundation maintains separate bank accounts for student activities. These accounts are collected for various activities from students and parents and restricted for their collected purpose. Should those funds not be used for the intended purpose, the funds may be returned to the students and parents from whom they were collected. Restricted student activity funds totaled \$44,169 at June 30, 2013 and were reported as restricted cash and liabilities.

NOTE 5 - PROPERTY AND EQUIPMENT:

The following is a summary of property and equipment at June 30, 2013:

Furniture and equipment	\$ 149,192
Curriculum – software	199,690
Curriculum - e-books	123,301
Building improvements-capital assets	<u>1,140,284</u>
 Total property and equipment	 <u>1,612,467</u>
 Less accumulated depreciation	 <u>(963,968)</u>
 Property and equipment, net	 <u>\$ 648,499</u>

Depreciation charged to operations for the year ended June 30, 2013, was \$318,747.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - COMPENSATED ABSENCES:

Twelve month employees are allowed a maximum of 15 cumulative vacation days per year. Earned and unused vacation days are paid to the employees' at their derived hourly rate of pay at the time of termination. **The Foundation** has accrued for \$39,247 of unpaid leave and \$10,185 of related accrued TRSL and Medicare benefits as of June 30, 2013.

NOTE 7 - ADJUSTMENTS TO THE BEGINNINGS NET ASSETS:

Net assets at the beginning of the fiscal year for Pierre A. Capdau were adjusted for a disallowed cost claimed on Title 1 funding of \$64,566 from the year ended June 30, 2012 and a payment of Local MFP revenue of \$22,937 from 2009 received during the fiscal year ended on June 30, 2013. The payment made on July 11, 2013 of \$64,566 to the Louisiana Department of Education was due to a teacher's salary and benefits being paid with Title 1 funding when the teacher was not highly qualified to teach the grade level to which she was assigned. Net assets at the beginning of the fiscal year for Medard H. Nelson were adjusted for an increase of \$12,154 for the payment of Local MFP revenue from 2009 received during the fiscal year ended June 30, 2013.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets in the amount of \$54,931 are available for certain initiatives of **the Foundation** at June 30, 2013. For the year ended June 30, 2013, \$57,569 of net assets was released from donor restrictions for various initiatives.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - IN-KIND CONTRIBUTIONS, CONTINUED:

The Foundation received rent-free use of school buildings from the Louisiana Recovery School District and also the use of furniture and equipment rent-free for Pierre A. Capdau, Medard H. Nelson, Lake Area NTECHS, and Gentilly Terrace. The estimated values of the buildings, furniture and equipment were not readily determinable and no amounts have been recorded in the accompanying financial statements.

The Foundation also receives donated services from a number of unpaid volunteers assisting **the Foundation** with its programs, activities, and operations. An estimated value of these services cannot be reasonably determined as a result of the variety of services provided by the varying qualifications of the volunteers. Because of the criteria for recognition under FASB ASC Section 958-605, conditions for recognition have not been satisfied, therefore, these donated services are not recorded in the financial statements.

NOTE 10 - RETIREMENT PLAN:

Substantially all employees of **the Foundation** participate in the Teachers' Retirement System of Louisiana (TRSL). TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. TRSL issues publicly available financial reports that include financial statements and required supplementary information of TRSL. These financial reports may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123. Baton Rouge. LA 70804-9123.

TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, five years of service credit if the employee reaches age sixty, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

NEW BEGINNINGS SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - RETIREMENT PLAN, (CONTINUED):

Participants are required to contribute to the plan 8% of their annual covered payroll and **the Foundation** is required to contribute 24.5% of the annual covered payroll of each participating employee. Starting July 1, 2013, the TRSL rate will be increased to 27.2%. Member contributions and employer contributions are established by law and set by the Public Retirement Systems Actuarial Committee.

For the year ended June 30, 2013. **The Foundation's** contributions to this plan totaled \$2,048,467.

NOTE 11 - CONCENTRATION OF CREDIT RISK:

The Foundation maintains non-interest bearing accounts at a local bank. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage on deposit accounts for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Total uninsured cash balances at June 30, 2013 were \$2,796,543.

NOTE 12 - RISK MANAGEMENT:

The Foundation is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **the Foundation** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 13 - CONCENTRATION OF REVENUE SOURCE:

The Foundation's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund. **The Foundation** receives a State allocation and a local allocation per eligible student in attendance at the official pupil count date of October 1, and February 1 each year. MFP revenue accounts for 80% of **the Foundation's** total support for the year ended June 30, 2013.

NEW BEGINNINGS SCHOOLS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - CONCENTRATION OF REVENUE SOURCE, CONTINUED:

State and federal grants are on a cost reimbursement basis and account for 19% of **the Foundation's** total support for the year ended June 30, 2013. If the amount of revenue received should fall below budgeted award levels, **the Foundation's** operating results could be adversely affected.

NOTE 14 - CONTINGENCY:

The Foundation is a recipient of grants from the State, Local and Federal funding agencies. The grants are governed by various State, Local and Federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **the Foundation** and are subject to audit and/or review by grantors. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the State, Local and Federal agencies may be subject to recapture.

NOTE 15 - BOARD OF DIRECTORS' COMPENSATION:

The board of directors of **the Foundation** is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2013.

NOTE 16 - SUBSEQUENT EVENTS:

The Foundation had nine board members for the year ended June 30, 2013. Three board members resigned their board positions in August of 2013 for various personal and medical reasons. **The Foundation** replaced the three resigning board members and added three additional board members to bring the current board to a total of twelve members. The change was made to provide additional oversight and governance from a diverse and highly qualified group of community leaders who advocate for the success of **the Foundation**. In December 2012, one board member resigned becoming an ex official member due to a revision of **the Foundation's** By-Laws.

SUPPLEMENTARY INFORMATION

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE I

Federal Grantor/Program Name	Federal CFDA Number	Activity
<u>U.S. Department of Education</u>		
<i><u>Direct Awards</u></i>		
Fund for the Improvement of Education, (Gulf Coast Recovery Grant)	84.215	\$ 230,694
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA State Department of Education</u>		
Title I, Part A - Grants to Local Educational Agencies	84.010	1,825,446
Title I, Part A - Grants to Local Educational Agencies, Recovery Act	84.389	2,768
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	99,143
Title IV, Part A - Safe and Drug-Free Schools and Communities	84.186	200
Individuals with Disabilities Education Act (IDEA) Part B	84.027	395,401
Individuals with Disabilities Education Act (IDEA) Part B, Preschool	84.173	1,962
Hurricane Katrina Foreign Contributions Award	84.940	93,701
Public Charter Schools Program	84.282	162,503
School Improvement Grants, Recovery Act	84.388	502,993
Race To The Top- Phase III	84.413	65,659
<i>Total Passed-Through Awards</i>		<u>3,149,776</u>
Total U.S. Department of Education		<u>3,380,470</u>
<u>U.S. Department of Health and Human Services</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA State Department of Education</u>		
Temporary Aid For Needy Families	93.558	128,227
Total U.S. Department of Health and Human Services		<u>128,227</u>
<u>U.S. Department of Agriculture</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA State Department of Education</u>		
Community Block Development Grant	14.228	101,192
Total U.S. Department of Agriculture		<u>101,192</u>
Total Expenditures of Federal Awards		\$ <u>3,609,889</u>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Foundation under programs of the federal government for the year ended June 30, 2013 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

NEW BEGINNINGS SCHOOLS FOUNDATION
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2013

	SCHEDULE II					
	Medard H. Nelson Charter School	Pierre A. Capdau Charter School	Lake Area New Tech Charter School	Gentilly Terrace Charter School	Charter School Network Office	Eliminations
ASSETS						Total (memorandum only)
Cash	\$ 1,185,175	\$ 620,265	\$ 806,853	\$ 155,066	\$ 142,042	\$ -
Cash-restricted	9,825	17,736	12,616	3,992	-	-
Grants receivable	232,848	348,321	127,024	439,338	56,966	-
Prepaid expenses	-	-	49,473	-	9,868	-
Property and equipment, net	108,008	-	3,352	537,139	-	-
Total assets	\$ 1,535,856	\$ 986,322	\$ 999,318	\$ 1,135,535	\$ 208,876	\$ -
						\$ 4,865,907
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable	\$ 60,655	\$ 144,690	\$ 73,483	\$ 34,474	\$ 98,415	\$ -
Accrued liabilities	107,722	44,922	69,742	57,983	5,517	-
Student activity funds	9,825	17,736	12,616	3,992	-	-
Compensated absences	-	-	-	-	49,432	-
Deferred revenue	891	17,155	14,355	6,046	13,081	-
Total liabilities	179,093	224,503	170,196	102,495	166,445	-
						\$ 842,732
Net Assets:						
Unrestricted	1,356,763	749,319	829,122	1,033,040	-	-
Temporarily restricted	-	12,500	-	-	42,431	-
Total net assets.	1,356,763	761,819	829,122	1,033,040	42,431	-
						\$ 4,023,175
Total liabilities and net assets	\$ 1,535,856	\$ 986,322	\$ 999,318	\$ 1,135,535	\$ 208,876	\$ -
						\$ 4,865,907

See Independent Auditors' Report on Supplementary Information.

NEW BEGINNINGS SCHOOLS FOUNDATION
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE III

	Medard H. Nelson Charter School	Pierre A. Capdau Charter School	Lake Area New Tech Charter School	Gentilly Terrace Charter School	Charter School Network Office	Eliminations	Total (memorandum only)
REVENUES							
Local sources:							
Minimum Foundation Program	\$ 1,896,311	\$ 1,654,518	\$ 2,710,724	\$ 1,751,290	\$ -	\$ -	\$ 8,012,843
Contributions-unrestricted	600	-	14,500	6,971	101,166	-	123,237
Contributions-temporarily restricted	-	7,500	-	-	-	-	7,500
Fundraising activities	-	288	-	985	93,321	-	94,594
Indirect cost revenue	-	-	-	-	161,722	(161,722)	-
Other	-	1,935	193	656	466	-	3,250
Total local sources	1,896,911	1,664,241	2,725,417	1,759,902	356,675	(161,722)	8,241,424
State sources:							
Minimum Foundation Program	1,697,556	1,430,064	2,473,523	1,563,047	-	-	7,164,190
Grants	5,011	9,895	10,830	-	-	-	25,736
Total state sources	1,702,567	1,439,959	2,484,353	1,563,047	-	-	7,189,926
Federal grants	885,942	1,225,677	572,622	892,648	33,000	-	3,609,889
Total revenues	4,485,420	4,329,877	5,782,392	4,215,597	389,675	(161,722)	19,041,239

See Independent Auditors' Report on Supplementary Information.

NEW BEGINNINGS SCHOOLS FOUNDATION
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	SCHEDULE III					
	Medard H. Nelson Charter School	Pierre A. Capdau Charter School	Lake Area New Tech Charter School	Gentilly Terrace Charter School	Charter School Network Office	Total (memorandum only)
EXPENSES					Eliminations	
Program Services:						
Instruction programs	\$ 2,028,082	\$ 1,889,674	\$ 2,418,035	\$ 2,146,225	\$ 59,001	\$ 8,541,017
Support Services:						
Pupil support services	366,533	429,408	358,326	383,098	238,091	1,775,456
Instructional staff services	554,726	290,286	538,255	312,789	148,038	1,844,094
General and administrative services	-	-	3,202	-	545,629	548,831
School administration	149,269	164,431	298,643	210,634	525,813	1,348,790
Business services	-	-	-	-	436,184	436,184
Operations and maintenance	263,459	349,721	827,304	263,814	13,835	1,718,133
Student transportation services	252,405	261,398	369,749	252,815	53,024	1,189,391
Central services	50,814	72,600	42,933	5,204	174,423	184,252
Food services operations	17,829	14,540	22,406	17,290	-	72,065
Depreciation	233,974	-	3,474	81,299	-	318,747
Subtotal expenses	3,917,091	3,472,058	4,882,327	3,673,168	(161,722)	17,976,960
Operating transfers in (out)	454,166	349,360	576,442	366,826	(1,746,794)	-
Total expenses	4,371,257	3,821,418	5,458,769	4,039,994	(161,722)	17,976,960
Change in net assets	114,163	508,459	323,623	175,603	(57,569)	1,064,279
Net assets - July 1, 2012	1,230,446	294,989	505,499	857,437	100,000	2,988,371
Adjustments to beginning net assets	12,154	(41,629)	-	-	-	(29,475)
Net assets - June 30, 2013	\$ 1,356,763	\$ 761,819	\$ 829,122	\$ 1,033,040	\$ 42,431	\$ 4,023,175

See Independent Auditors' Report on Supplementary Information.

NEW BEGINNINGS SCHOOLS FOUNDATION
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	SCHEDULE IV					
	Medard H. Nelson Charter School	Pierre A. Capdau Charter School	Lake Area New Tech Charter School	Gentilly Terrace Charter School	Charter School Network Office	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in net assets	\$ 114,163	\$ 508,459	\$ 323,623	\$ 175,603	\$ (57,569)	\$ 1,064,279
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	233,974	-	3,474	81,299	-	318,747
Write-off of property and equipment	-	-	-	-	27,550	27,550
Adjustments to beginning net assets	12,154	(41,629)	-	-	-	(29,475)
Changes in Assets and Liabilities:						
Decrease in other receivables	18,328	11,984	16,481	14,796	112,606	174,195
(Increase) decrease in grants receivable	161,572	79,273	121,398	(88,868)	(34,312)	239,063
Decrease in due from other programs	-	-	-	66,388	2,828,487	2,894,875
(Increase) decrease in prepaid expenses	10,906	1,156	5,456	1,849	(3,999)	15,368
Increase (decrease) in accounts payable	(94,820)	112,904	(41,603)	(58,424)	(32,162)	(114,105)
Increase (decrease) in accrued liabilities	(30,239)	(98,315)	27,332	(207,589)	5,517	(303,294)
Increase (decrease) in student activity funds	(7,626)	7,143	(9,988)	1,458	-	(9,013)
Increase (decrease) in compensated absences	(12,509)	(15,402)	(13,839)	(13,858)	29,344	(26,264)
Increase in deferred revenue	-	-	-	-	13,081	13,081
Decrease in due to funding source	(10,442)	(39,636)	-	-	-	(50,078)
Decrease in due to other programs	(851,767)	(1,236,181)	(806,927)	-	-	(2,894,875)
Net cash provided by (used in) operating activities	(456,306)	(710,244)	(374,593)	(27,346)	2,888,543	1,320,054
Increase (decrease) in cash	(456,306)	(710,244)	(374,593)	(27,346)	2,888,543	1,320,054
Cash, beginning of year	1,651,306	1,348,245	1,194,062	186,404	(2,746,501)	1,633,516
Cash, end of year	\$ 1,195,000	\$ 638,001	\$ 819,469	\$ 159,058	\$ 142,042	\$ 2,953,570

See Independent Auditors' Report on Supplementary Information.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
New Beginnings Schools Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **New Beginnings Schools Foundation (the Foundation)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **the Foundation's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Foundation's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the Foundation's** internal control.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2013-1 that we consider to be a significant deficiency.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Foundation's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2013-1.

The Foundation's Response to the Finding

The Foundation's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. **The Foundation's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **Foundation's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 14, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
New Beginnings Schools Foundation

Report on Compliance for Each Major Federal Program

We have audited the **New Beginnings Schools Foundation's (the Foundation)** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **the Foundation's** major federal programs for the year ended June 30, 2013. **The Foundation's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **the Foundation's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the Foundation's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **the Foundation's** compliance.

Opinion on Each Major Federal Program

In our opinion, **the Foundation** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

Report on Internal Control Over Compliance

Management of **the Foundation** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **the Foundation's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **the Foundation's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 14, 2014

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Section I – Summary Auditors' Results

- A. Type of report issued on the financial statements: Unmodified.
- B. Did the audit disclose any material weaknesses in internal control over financial reporting? None reported.
- C. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? Yes.
- D. Did the audit disclose any non-compliance which is material to the financial statements? Yes.
- E. Did the audit disclose any material weaknesses in internal control over major Federal programs? No.
- F. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? No.
- G. Type of report issued on compliance for major programs: Unmodified.
- H. Did the audit disclose any audit findings required to be reported in accordance with OMB Circular A-133, Section .510(a)? No.
- I. Was a management letter issued? Yes.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditors' Results, Continued

J. Identification of Major Programs:

United States Department of Education

84.010 - Title I, Part A - Grants to Local Educational Agencies

Special Education Cluster (IDEA)

84.027 - Individuals With Disabilities Education Act (IDEA) Part B

84.388 - School Improvement Grants, Recovery Act

84.173 - Individuals With Disabilities Education Act (IDEA) Part B, Preschool

K. Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

L. Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? **No.**

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2013

Section II – Financial Statement Findings

2013-01 - Submission of Audit Report

Criteria

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.

Condition

The June 30, 2013 audited financial statements were not submitted to the Legislative Auditor by the statutory due date of December 31, 2013. The Legislative Auditor had approved an extension of time for **the Foundation** to file its annual June 30, 2013 financial report by no later January 31, 2014. **The Foundation** was granted this extension for circumstances other than a natural disaster.

Effect

An audit report filed with an approved extension from the Legislative Auditor after the six (6) months' timeframe for any reason other than for a natural disaster is a violation of the State audit completion and submission law.

Cause

The Foundation's financial statements were not completed until late January 2014.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2013

Section II – Financial Statement Findings, Continued

2013-01 - Submission of Audit Report, Continued

Recommendation

Month-end and year-end financial statements should be accurately prepared and on a timely basis. We recommend that **the Foundation** review its financial reporting procedures to ensure that audit engagements are submitted to the Legislative Auditor within the required time frame.

Management's Response

The Foundation had organizational changes and replacement of the Chief Financial Officer in early December 2013 which contributed to the audit not being completed timely and an extension of time requested and granted until January 31, 2014. Procedures have been put in place to ensure month end and year-end financial statements are accurately prepared and that the audit will be filed timely as required by State Law.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2013

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Section I - Internal Control and Compliance
Material to the Financial Statements

No matters were reported.

Section II - Federal Award Findings and Questioned Costs

2012-01 – Davis-Bacon Act

We recommended that **the Foundation** establish policies and procedures to ensure that of Davis-Bacon Act requirements are communicated to contractors and documentation of Davis-Bacon Act monitoring is maintained.

Current Status

Resolved.

2012-02 - Suspension and Debarment

CFDA 84.215 - Fund for the Improvement of Education
(Gulf Coast Recovery Grant)

For those procurement transactions exceeding the \$25,000 covered transaction threshold, we recommended that **the Foundation** implement either or both of the following control procedures as considered necessary, to ensure that potential vendor/contractors are not suspended debarred or otherwise excluded: 1) verify by checking the Excluded Parties List System maintained by the General Services Administration; or 2) include a certification clause or condition in the contract or obtain a separately submitted certification. This verification process should always be documented, preferably in procurement files.

Current Status

Resolved.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Section II - Federal Award Findings and Questioned Costs, Continued

**2012-03 – Eligibility (Free and Reduced Price Applications)
CFDA 10.555 National School Lunch Program**

We recommended that **the Foundation** adhere to established policies and procedures to ensure that eligibility determinations are made according to federal regulations. Also, **the Foundation** should design appropriate control measures to ensure that all supporting documentation is properly maintained and readily retrievable.

Current Status

Resolved.

2012-04 - Personnel Activity Reports

**CFDA 84.215 - Fund for the Improvement of Education
(Gulf Coast Recovery Grant)**

We recommended that **the Foundation** establish policies and procedures to support salaries and wages charged to federal awards, as required in 2 CFR Section 230 Appendix B 8.m.

Current Status

Resolved.

2012-05 - Highly Qualified Teacher Requirement

CFDA 84.215 - Title I, Part A - Grants to Local Educational Agencies

We recommended that **the Foundation** improve its current procedures to ensure that only the salaries and related benefits of highly qualified teachers are claimed for Title I grant expense reimbursements.

Current Status

Resolved.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Section III – Management Letter Comments

No matters were reported.

NEW BEGINNINGS SCHOOLS FOUNDATION

EXIT CONFERENCE

The audit report was discussed during the course of the audit and at an exit conference held with the management of the **Foundation**. The individuals who participated in those discussions were as follows:

NEW BEGINNINGS SCHOOLS FOUNDATION

Ms. Sametta Brown	--	Chief Executive Officer
Ms. Karen Craig, CPA, CGMA	--	Chief Financial Officer

BRUNO & TERVALON LLP CERTIFIED PUBLIC ACCOUNTANTS

Mr. Larry Jones, CPA	--	Manager
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(Retired)
Michael B. Bruno, CPA (2011)

INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS RELATED TO INTERNAL CONTROL

To the Board of Directors of
New Beginnings Schools Foundation

Management of the **New Beginnings Schools Foundation (the Foundation)** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements of **the Foundation** as of and for the year ended June 30, 2013 in accordance with auditing standards generally accepted in the United States of America, we considered **the Foundation's** internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **the Foundation's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the Foundation's** internal control.

As a part of our audit, we noted certain other matters that are opportunities for strengthening internal control and operating efficiency. This letter does not affect our report dated February 14, 2014 on the financial statements or internal controls of **the Foundation**.

We will review the status of these other matters during our next audit engagement. We have already discussed these other matters with **the Foundation's** management, and will be pleased to discuss these matters in further detail at your convenience.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

Reference Number

ML - 2013-01 Bank Reconciliation

Condition

During our testwork of bank reconciliations, we noted that the June 2013 master bank account's reconciled balance was \$32,233 more than the bank account's general ledger balance.

Recommendation

We recommend that **the Foundation** immediately take the necessary action to ensure that monthly bank reconciliations are timely prepared and reviewed. In addition, we recommend that procedures be implemented as part of the month-end and year-end financial reporting close-out process to ensure that all bank accounts' general ledger balances are in agreement with the reconciliation's reconciled balance.

Management's Response

Management will be bringing the bank account reconciliations in-house with the implementation of a new computer software in April of 2014. In the interim, while they are still prepared by the UNO Foundation, **the Foundation** will make sure all reconciling items are addressed monthly and that the general ledger balances are in agreement with the reconciliation's reconciled balance.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

The Foundation's response to the other matter identified in our audit is described in the accompanying report under the caption "Management's Response". We did not audit the Foundation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors of the Foundation, Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised State 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 14, 2014

NEW BEGINNINGS SCHOOLS FOUNDATION
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2013

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(Retired)
Michael B. Bruno, CPA (2011)

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
New Beginnings Schools Foundation

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **New Beginnings Schools Foundation (the Foundation)**, operator of **Pierre A. Capdau Charter School**, **Medard H. Nelson Charter School**, **Gentilly Terrace Charter School**, and **Lake Area New Tech Early College High School**, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Management of **the Foundation** is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

***General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources (SCHEDULE 1)***

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No differences noted.

Education Levels of Public School Staff (SCHEDULE 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this schedule and to **the Foundation's** supporting payroll records as of October 1, 2012.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Education Levels of Public School Staff (SCHEDULE 2), Continued

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (SCHEDULE 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences noted.

Experience of Public Principals and Full-time Classroom Teachers (SCHEDULE 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Public School Staff Data (SCHEDULE 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (SCHEDULE 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined if the class was properly classified on the schedule.

No differences noted.

**Louisiana Educational Assessment Program (LEAP) for
the 21st Century (SCHEDULE 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Foundation.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

The Graduation Exit Exam for the 21st Century (SCHEDULE 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the Foundation**.

No differences noted.


The iLEAP Tests (SCHEDULE 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the Foundation**.

No differences noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **the Foundation**, the Louisiana Department of Education, the Louisiana Recovery School District, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 14, 2014

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)

SCHEDULE 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum, Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

SCHEDULE 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 5 - Public School Staff Data

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26, 27-33, and 34+students. This data is currently reported to the Legislature in the Annual School Report (ASR).

SCHEDULE 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE 8 - The Graduation Exit Exam (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. In 2013, the GEE has been discontinued and therefore no new additional scores will be available.

NEW BEGINNINGS SCHOOLS FOUNDATION
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 9 - The iLEAP Tests

This schedule represents student performance testing data and includes statewide and district summary scores for grades 3, 5, 6 and 7 in each category tested for the 2011, 2012 and 2013 reporting years. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

NEW BEGINNINGS SCHOOLS FOUNDATION
New Orleans, Louisiana

Schedule 1

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	4,917,053	
Other Instructional Staff Activities		647,362	
Employee Benefits		1,796,116	
Purchased Professional and Technical Services		422,579	
Instructional Materials and Supplies		687,973	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities	\$		8,471,083

Other Instructional Activities			69,934
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Pupil Support Activities		1,775,456	
Less: Equipment for Pupil Support Activities		-	
Net Pupil Support Activities			1,775,456

Instructional Staff Services		1,844,094	
Less: Equipment for Instructional Staff Services		-	
Net Instructional Staff Services			1,844,094

School Administration		1,348,790	
Less: Equipment for School Administration		-	
Net School Administration			1,348,790

Total General Fund Instructional Expenditures	\$		13,509,357
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Total General Fund Equipment Expenditures	\$		-
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$	-	
Renewable Ad Valorem Tax		-	
Debt Service Ad Valorem Tax		-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-	
Sales and Use Taxes		-	
Total Local Taxation Revenue	\$		-

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property		-	
Earnings from Other Real Property		-	
Total Local Earnings on Investment in Real Property	\$		-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-	
Revenue Sharing - Other Taxes		-	
Revenue Sharing - Excess Portion		-	
Other Revenue in Lieu of Taxes		-	
Total State Revenue in Lieu of Taxes	\$		-

Nonpublic Textbook Revenue	\$		-
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Nonpublic Transportation Revenue	\$		-
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See accompanying independent accountants' report on applying agreed-upon procedures.

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	100%	1	0%	0	0%	0	0%
Bachelor's Degree	68	67%	2	33%	0	0%	0	0%
Master's Degree	29	28%	2	33%	6	75%	0	0%
Master's Degree +30	1	1%	0	0%	1	13%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph.D. or Ed.D.	2	2%	1	17%	1	13%	0	0%
Total	102	98%	6	83%	8	100%	0	0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

**Number and Type of Public Schools
For the Year Ended June 30, 2013**

Type	Number
Elementary	3
Middle/Jr. High	0
Secondary	1
Combination	0
Total	4

See accompanying independent accountants' report on applying agreed-upon procedures.

NEW BEGINNINGS SCHOOLS FOUNDATION
New Orleans, Louisiana

Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers
As of October 1, 2012

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	3	0	1	0	0	4
Principals	0	0	2	1	1	0	0	4
Classroom Teachers	49	10	21	8	7	4	9	108
Total	49	10	26	9	9	4	9	116

See accompanying independent accountants' report on applying agreed-upon procedures.

Public School Staff Data
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Excluding Extra Compensation	45,902	45,902
Average Classroom Teachers' Salary Including Extra Compensation	45,902	45,902
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries	108	108

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See accompanying independent accountants' report on applying agreed-upon procedures.

NEW BEGINNINGS SCHOOLS FOUNDATION
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	16.0%	81	38.1%	193	6.5%	33	0.2%	1
Elementary Activity Classes	9.9%	50	22.3%	113	4.2%	21	2.8%	14
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	26.7%	59	30.8%	68	14.9%	33	0.9%	2
High Activity Classes	9.0%	20	7.2%	16	7.2%	16	3.2%	7
Combination								
Combination Activity Classes								

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See accompanying independent accountants' report on applying agreed-upon procedures.

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	9	7%	5	3%	1	1%	7	5%	13	9%	1	1%
Mastery	25	19%	38	26%	30	21%	31	24%	31	21%	23	16%
Basic	76	57%	59	41%	77	54%	61	48%	65	45%	67	47%
Approaching Basic	10	8%	28	19%	21	15%	12	9%	21	14%	34	24%
Unsatisfactory	13	10%	15	10%	13	9%	17	13%	15	10%	18	13%
Total	133	100%	145	100%	142	100%	128	100%	145	100%	143	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	1%	3	2%	0	0%	2	2%	4	3%	0	0%
Mastery	5	4%	14	10%	3	2%	7	5%	9	6%	2	1%
Basic	54	41%	68	47%	41	29%	76	57%	85	59%	57	40%
Approaching Basic	52	39%	44	30%	70	49%	28	21%	30	21%	42	30%
Unsatisfactory	21	16%	16	11%	28	20%	20	15%	17	12%	41	29%
Total	133	100%	145	100%	142	100%	133	100%	145	100%	142	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1%	0	0%	1	1%	1	1%	1	1%	1	1%
Mastery	9	7%	3	3%	7	7%	2	2%	1	1%	1	1%
Basic	64	48%	55	46%	35	36%	78	59%	36	37%	36	37%
Approaching Basic	51	38%	35	29%	48	49%	34	26%	37	38%	37	38%
Unsatisfactory	8	6%	27	23%	7	7%	18	14%	23	23%	23	23%
Total	133	100%	120	100%	98	100%	133	100%	98	100%	98	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	0	0%	1	1%	0	0%	0	0%
Mastery	16	12%	3	3%	5	5%	14	11%	0	0%	0	0%
Basic	41	31%	39	33%	26	27%	65	49%	38	39%	38	39%
Approaching Basic	61	46%	52	43%	42	43%	28	21%	44	45%	44	45%
Unsatisfactory	15	11%	26	22%	25	26%	25	19%	16	16%	16	16%
Total	133	100%	120	100%	98	100%	133	100%	98	100%	98	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced					0	0%					1	1%
Mastery					4	4%					10	9%
Basic					51	50%					58	54%
Approaching Basic					30	30%					18	17%
Unsatisfactory					16	16%					21	19%
Total					101	100%					108	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced			0	0%	2	2%			0	0%	0	0%
Mastery			9	5%	12	13%			5	13%	8	9%
Basic			53	31%	27	29%			90	237%	44	47%
Approaching Basic			61	36%	28	30%			39	103%	23	25%
Unsatisfactory			48	28%	24	26%			38	22%	18	19%
Total	0	0%	171	100%	93	100%	0	0%	172	375%	93	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

The iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	10	8%	18	14%	6	5%	7	5%
Mastery	30	23%	30	23%	20	15%	18	14%
Basic	48	36%	52	40%	52	39%	51	39%
Approaching Basic	29	22%	17	13%	41	31%	28	21%
Unsatisfactory	15	11%	15	11%	13	10%	28	21%
Total	132	100%	132	100%	132	100%	132	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	6	4%	0	0%	0	0%
Mastery	4	3%	15	11%	11	8%	6	5%
Basic	54	40%	45	33%	54	41%	43	33%
Approaching Basic	38	28%	31	23%	41	31%	37	28%
Unsatisfactory	39	29%	38	28%	25	19%	45	34%
Total	135	100%	135	100%	131	100%	131	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1%	4	2%	1	1%	2	1%
Mastery	9	5%	4	2%	11	6%	6	3%
Basic	83	46%	83	46%	51	28%	63	35%
Approaching Basic	62	34%	40	22%	87	48%	70	39%
Unsatisfactory	25	14%	49	27%	30	17%	39	22%
Total	180	100%	180	100%	180	100%	180	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1%	1	1%	1	1%	0	0%
Mastery	5	4%	3	2%	5	4%	4	3%
Basic	62	47%	54	41%	40	30%	49	37%
Approaching Basic	55	41%	37	28%	60	45%	40	30%
Unsatisfactory	10	8%	37	28%	26	20%	39	30%
Total	133	100%	132	100%	132	100%	132	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

The / LEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	8	7%	4	3%	1	1%	7	6%
Mastery	34	29%	23	20%	23	20%	18	15%
Basic	44	37%	64	55%	43	37%	42	36%
Approaching Basic	19	16%	20	17%	37	32%	25	21%
Unsatisfactory	13	11%	6	5%	13	11%	25	21%
Total	118	100%	117	100%	117	100%	117	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	2	2%	0	0%	0	0%
Mastery	9	8%	5	4%	1	1%	2	2%
Basic	53	44%	56	47%	24	20%	34	29%
Approaching Basic	35	29%	22	18%	63	53%	42	35%
Unsatisfactory	23	19%	35	29%	31	26%	41	34%
Total	120	100%	120	100%	119	100%	119	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	1%	3	2%	1	1%	3	2%
Mastery	7	5%	6	4%	4	3%	8	6%
Basic	60	43%	68	49%	51	36%	58	41%
Approaching Basic	52	37%	24	17%	50	35%	51	36%
Unsatisfactory	20	14%	39	28%	35	25%	21	15%
Total	141	100%	140	100%	141	100%	141	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	2%	4	3%	2	2%	3	2%
Mastery	10	8%	4	3%	15	12%	11	9%
Basic	62	49%	62	49%	45	36%	53	42%
Approaching Basic	36	29%	35	28%	46	37%	41	33%
Unsatisfactory	15	12%	21	17%	18	14%	18	14%
Total	126	100%	126	100%	126	100%	126	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

The iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	3	2%	0	0%	0	0%
Mastery	9	7%	7	6%	0	0%	11	9%
Basic	50	40%	47	37%	44	35%	47	37%
Approaching Basic	37	29%	32	26%	56	45%	31	25%
Unsatisfactory	30	24%	37	29%	25	20%	36	29%
Total	126	100%	126	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	1	1%	0	0%
Mastery	6	5%	4	4%	2	2%	2	2%
Basic	43	37%	41	35%	25	21%	28	24%
Approaching Basic	39	34%	34	29%	52	45%	42	36%
Unsatisfactory	28	24%	37	32%	36	31%	44	38%
Total	116	100%	116	100%	116	100%	116	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1%	7	6%	2	2%	2	2%
Mastery	4	3%	2	2%	5	4%	5	4%
Basic	43	36%	46	38%	41	34%	53	44%
Approaching Basic	58	48%	31	25%	52	43%	34	28%
Unsatisfactory	15	12%	35	29%	21	17%	27	22%
Total	121	100%	121	100%	121	100%	121	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	3	3%	0	0%	0	0%
Mastery	5	4%	2	2%	3	3%	7	6%
Basic	53	46%	49	42%	54	46%	68	59%
Approaching Basic	44	38%	26	23%	34	29%	26	22%
Unsatisfactory	14	12%	35	30%	25	22%	15	13%
Total	116	100%	115	100%	116	100%	116	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.